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CURRENT INDUSTRIAL REPORTS



Manufacturers' Shipments, Inventories, and Orders

March 1972



U. S. DEPARTMENT OF COMMERCE • Social and Economic Statistics Administration • BUREAU OF THE CENSUS

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SUMMARY

New orders for manufactured products in March increased \$710 million or 1.1 percent to \$63.23 billion from \$62.51 billion in February after seasonal adjustment. Shipments increased \$670 million or 1.1 percent to \$62.54 billion from \$61.87 billion in February. Unfilled orders increased \$690 million or 0.9 percent to \$81.21 billion at the end of March. Manufacturers' inventories increased \$90 million to \$101.12 billion at the end of March. The inventories to shipments ratio decreased from 1.63 to 1.62.

For the 3 months ending in March, the average change in new orders represents a 2.1 percent increase compared with a 1.2 percent increase for the 3 months ending in December and a 0.2 percent increase for the 3 months ending in September.

NEW ORDERS

New orders for durable goods increased \$560 million or 1.6 percent in March to \$35.06 billion. Increases in new orders for primary metals (\$300 million), fabricated metal products (\$290 million), electrical machinery (\$160 million) were partially offset by decreases in transportation equipment (\$510 million).

SHIPMENTS

Shipments of durable goods increased \$450 million or 1.3 percent to \$34.46 billion in March. Shipments of primary metals and nonelectrical machinery each increased \$140 and \$130 million respectively. Shipments of nondurable goods increased \$220 million or 0.8 percent to \$28.08 billion.

UNFILLED ORDERS

Unfilled orders for durable goods increased \$600 million or 0.8 percent to \$77.68 billion at the end of March. Increases in primary metals (\$260 million), fabricated metal products (\$260 million) and nonelectrical machinery (\$140 million) more than offset a decrease in transportation equipment (\$230 million).

INVENTORIES

Inventories of durable goods increased \$90 million while nondurable goods showed no change in March. At the all manufacturing level, materials and supplies decreased \$90 million, work in process increased \$280 million and finished goods decreased \$110 million.

SCHEDULED RELEASE DATES

The figures on the durable goods industries in this report supersede those issued earlier in the advance report on durable goods. The advance report is based on a tabulation of early reports and is limited to statistics on shipments, new orders, and unfilled orders for a few broad industry categories. The present report is based on more complete reporting, but the estimates are also considered preliminary. Final figures will appear as historical data in the report to be published for next month. The advance report on durable goods for April is scheduled for release on May 19, 1972 and the full report is scheduled for release on May 31, 1972.

For an explanation of terms used in this report see appendix following table 5.

Inquiries concerning these figures should be addressed to the U.S. Department of Commerce, Social and Economic Statistics Administration, Bureau of the Census, Industry Division, Washington D.C. 20233.

Table 1.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Mar. 1972 ^P	Feb. 1972 ^r	Jan. 1972	Mar. 1972 ^P	Feb. 1972 ^r	Mar. 1971	Mar. 1972 ^P	Feb. 1972 ^r	Jan. 1972	Mar. 1972 ^P	Feb. 1972 ^r	Mar. 1971
	Shipments						Total inventories					
All manufacturing industries:												
Total.....	62,535	61,865	61,350	64,234	62,174	59,383	101,119	101,033	100,876	101,559	101,530	100,956
Total, excluding transportation.....	54,415	53,647	53,775	55,653	53,740	50,908	87,172	87,183	87,089	87,528	87,575	87,061
Durable goods industries, total.....	34,460	34,013	33,573	35,864	34,374	32,898	64,858	64,769	64,722	65,182	65,024	65,412
Stone, clay, and glass products.....	2,059	2,048	2,040	2,006	1,890	1,616	2,220	2,235	2,234	2,304	2,303	2,354
Primary metals, total.....	5,290	5,154	5,003	5,573	5,223	5,270	9,554	9,459	9,407	9,529	9,502	9,472
Blast furnaces, steel mills.....	2,449	2,344	2,233	2,627	2,403	2,576	5,153	5,071	5,026	5,086	5,106	5,071
All other primary metals.....	2,841	2,810	2,770	2,946	2,820	2,694	4,401	4,388	4,381	4,443	4,396	4,401
Fabricated metal products, total.....	3,642	3,566	3,587	3,707	3,606	3,596	7,123	7,183	7,194	7,123	7,123	7,124
Metal cans, barrels, and drums.....	390	391	381	383	357	279	741	762	796	732	743	713
Machinery, except electrical, total.....	5,446	5,314	5,573	5,783	5,529	5,230	13,343	13,425	13,474	13,477	13,550	14,070
Engines and turbines.....	348	370	377	380	360	407	1,022	997	1,002	1,020	1,014	932
Farm machinery and equipment.....	534	494	531	617	521	513	1,133	1,119	1,125	1,180	1,171	1,188
Construction, mining, and material handling equipment.....	894	911	937	941	954	878	2,571	2,610	2,662	2,615	2,652	2,668
Metalworking machinery.....	445	408	404	489	439	368	1,166	1,167	1,178	1,165	1,175	1,204
General industrial machinery.....	469	455	463	481	453	413	1,107	1,138	1,125	1,122	1,145	1,194
Electrical machinery, total.....	5,000	4,937	5,044	5,171	4,990	4,479	9,882	9,823	9,799	9,880	9,766	10,020
Electrical transmission and distribution equipment and industrial apparatus.....	1,011	996	966	1,075	1,021	918	2,304	2,292	2,170	2,314	2,296	2,196
Household appliances, including radio and TV.....	1,125	1,069	1,039	1,116	1,052	1,004	1,822	1,811	1,895	1,806	1,791	1,906
Communication equipment.....	1,283	1,232	1,364	1,338	1,248	1,226	3,036	3,012	3,030	3,042	3,000	3,069
Transportation equipment, total.....	8,120	8,218	7,595	8,581	8,434	8,475	13,947	13,850	13,787	14,031	13,955	13,895
Motor vehicles and parts.....	5,522	5,559	5,052	5,869	5,756	5,455	3,984	3,938	3,872	4,012	4,036	4,024
Aircraft, missiles, and parts.....	1,900	1,972	1,815	2,005	1,986	2,355	7,554	7,550	7,581	7,568	7,521	7,913
Instruments and related products.....	1,014	1,009	1,032	1,004	955	959	2,477	2,494	2,482	2,488	2,484	2,385
All other durable goods industries.....	3,889	3,767	3,699	4,039	3,747	3,273	6,312	6,300	6,345	6,350	6,341	6,092
Nondurable goods industries, total.....	28,075	27,852	27,777	28,370	27,800	26,485	36,261	36,264	36,154	36,377	36,506	35,544
Food and kindred products, total.....	9,458	9,421	9,339	9,374	9,231	8,672	9,268	9,227	9,124	9,107	9,232	8,709
Meat products.....	2,031	2,011	2,079	2,039	2,003	1,853	797	786	776	821	812	836
Tobacco products.....	526	532	553	510	500	465	2,323	2,312	2,334	2,430	2,430	2,317
Textile mill products.....	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)	(2)
Paper and allied products, total.....	2,440	2,431	2,451	2,481	2,426	2,211	2,740	2,739	2,752	2,746	2,734	2,724
Pulp, paper, etc.....	966	964	1,007	993	967	935	1,000	994	1,017	1,006	1,000	1,018
Chemicals and allied products, total.....	4,635	4,582	4,572	4,756	4,580	4,291	6,698	6,684	6,690	6,817	6,818	6,868
Industrial chemicals, except pigments.....	1,455	1,474	1,588	1,493	1,473	1,415	1,865	1,868	1,879	1,913	1,913	1,927
Petroleum and coal products.....	2,520	2,470	2,405	2,443	2,445	2,275	2,331	2,378	2,406	2,319	2,342	2,335
Rubber and plastics products, n.e.c.....	1,679	1,666	1,700	1,750	1,687	1,563	2,193	2,171	2,186	2,222	2,211	2,174
All other nondurable goods industries.....	6,817	6,750	6,757	7,056	6,931	7,008	10,708	10,753	10,662	10,736	10,739	10,417
	New orders						Unfilled orders					
All manufacturing industries:												
Total.....	63,228	62,514	62,996	64,888	63,414	59,297	81,213	80,519	79,868	81,479	80,825	82,659
Total, excluding transportation.....	55,337	54,110	53,964	56,587	54,738	51,247	55,514	54,591	54,126	55,924	54,990	56,809
Durable goods industries, total.....	35,061	34,505	35,099	36,427	35,398	32,761	77,678	77,078	76,583	77,965	77,399	79,583
Primary metals, total.....	5,545	5,248	5,221	5,877	5,661	5,483	6,279	6,022	5,927	6,792	6,488	8,852
Blast furnaces, steel mills.....	2,541	2,454	2,370	2,797	2,745	2,778	3,351	3,258	3,148	3,780	3,610	5,616
Fabricated metal products.....	3,901	3,611	3,613	3,981	3,662	3,653	10,793	10,534	10,488	10,789	10,513	11,087
Machinery, except electrical, total.....	5,583	5,512	5,732	5,946	5,706	5,300	15,190	15,052	14,853	15,178	15,016	14,497
Engines and turbines.....	429	423	357	428	405	649	5,156	5,075	5,021	5,157	5,110	4,901
Construction, mining, and material handling equipment.....	950	855	781	1,017	946	882	2,498	2,442	2,499	2,583	2,506	2,371
Metalworking machinery.....	460	419	345	489	444	329	1,034	1,019	1,008	1,020	1,020	1,093
General industrial machinery.....	420	496	597	453	490	445	1,440	1,489	1,448	1,417	1,444	1,227
Electrical machinery, total.....	5,060	4,898	4,743	5,180	5,002	4,388	14,349	14,291	14,329	14,284	14,275	14,145
Electrical transmission and distribution equipment and industrial apparatus.....	1,023	945	798	1,093	1,107	954	3,863	3,852	3,902	3,947	3,929	3,869
Household appliances, including radio and TV.....	1,187	1,062	1,023	1,152	1,078	1,013	758	695	701	712	676	664
Communication equipment.....	1,284	1,305	1,384	1,302	1,175	1,115	6,085	6,085	6,013	5,976	6,012	5,725
Transportation equipment, total.....	7,891	8,404	9,032	8,301	8,676	8,050	25,699	25,928	25,742	25,555	25,835	25,850
Aircraft, missiles, and parts.....	1,806	1,744	2,146	1,951	1,907	1,997	17,622	17,717	17,944	17,673	17,727	18,762
All other durable goods industries.....	7,081	6,691	6,758	7,142	7,134	5,887	5,368	5,251	5,244	5,367	5,265	5,152
Nondurable goods industries, total.....	28,167	28,009	27,897	28,461	28,016	26,536	3,535	3,441	3,285	3,514	3,426	3,076
Industries with unfilled orders.....	7,725	7,702	7,630	7,824	7,766	7,138	3,535	3,441	3,285	3,514	3,426	3,076
Industries without unfilled orders.....	20,442	20,307	20,267	20,637	20,250	19,398	-	-	-	-	-	-

- Represents zero. ^PPreliminary. ^rRevised.¹Adjusted for trading-day and calendar-month variations.²Beginning with July 1971, the shipments level for this series appears to be high compared with information shown in other textile series.

All data for this industry group are, therefore, withheld pending investigation and revision.

Table 2.--VALUE OF MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS, FOR MARKET CATEGORIES AND SUPPLEMENTARY SERIES
(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment ¹			Seasonally adjusted			Without seasonal adjustment		
	Mar. 1972P	Feb. 1972P	Jan. 1972	Mar. 1972P	Feb. 1972P	Mar. 1971	Mar. 1972P	Feb. 1972P	Jan. 1972	Mar. 1972P	Feb. 1972P	Mar. 1971
	Shipments						Total inventories					
All manufacturing industries, total..	62,535	61,865	61,350	64,234	62,174	59,382	101,119	101,033	100,876	101,559	101,530	100,956
Durable goods industries, total.....	34,460	34,013	33,573	35,864	34,374	32,898	64,856	64,769	64,722	65,182	65,024	65,412
Nondurable goods industries, total.....	28,075	27,852	27,777	28,370	27,800	26,485	36,261	36,264	36,154	36,377	36,506	35,544
Industry groups arranged by market categories:												
Home goods and apparel.....	5,648	5,500	5,540	5,905	5,694	5,763	10,927	10,939	10,870	10,929	10,893	10,502
Consumer staples.....	12,189	12,148	11,975	12,079	11,924	11,189	14,146	14,158	14,082	14,084	14,263	13,580
Equipment and defense products, except automotive.....	8,982	8,804	9,121	9,480	8,999	8,945	25,554	25,576	25,525	25,718	25,641	26,036
Automotive equipment.....	6,169	6,186	5,614	6,525	6,361	6,031	5,183	5,147	5,089	5,289	5,310	5,229
Construction materials, supplies, and intermediate products.....	5,681	5,610	5,624	5,598	5,242	4,864	8,005	8,036	8,069	8,159	8,135	8,090
Other materials and supplies and intermediate products.....	23,866	23,617	23,476	24,647	23,954	22,591	37,304	37,177	37,241	37,380	37,288	37,519
Supplementary series: ²												
Household durable goods industries.....	2,743	2,625	2,581	2,797	2,634	2,415	4,904	4,888	4,950	4,911	4,888	4,832
Producers' capital goods industries.....	7,027	6,940	7,189	7,368	7,171	6,476	17,343	17,370	17,245	17,437	17,421	17,477
Defense products industries (old series).....	3,590	3,601	3,567	3,811	3,658	4,002	11,503	11,473	11,555	11,523	11,433	11,958
Defense products (new series)*.....	1,768	1,815	1,785	1,861	1,837	1,970	6,039	5,896	5,816	6,049	5,876	6,041
	New orders						Unfilled orders					
All manufacturing industries, total..	63,228	62,514	62,996	64,888	63,414	59,297	81,213	80,519	79,868	81,479	80,825	82,659
Durable goods industries, total.....	35,061	34,505	35,099	36,427	35,398	32,761	77,678	77,078	76,583	77,965	77,399	79,583
Nondurable goods industries, total.....	28,167	28,009	27,897	28,461	28,016	26,536	3,535	3,441	3,285	3,514	3,426	3,076
Industry groups arranged by market categories:												
Home goods and apparel.....	5,802	5,489	5,571	6,017	5,736	5,768	2,429	2,269	2,282	2,352	2,246	1,967
Consumer staples.....	12,195	12,146	11,989	12,073	11,932	11,192						
Equipment and defense products, except automotive.....	8,761	9,019	10,223	9,239	9,244	8,609	44,584	44,817	44,375	44,416	44,743	43,927
Automotive equipment.....	6,158	6,415	5,689	6,438	6,549	6,032						
Construction materials, supplies, and intermediate products.....	6,005	5,596	5,669	5,941	5,313	4,964	10,454	10,130	10,144	10,426	10,082	10,609
Other materials and supplies and intermediate products.....	24,307	23,849	23,855	25,180	24,640	22,732	23,746	23,303	23,067	24,285	23,754	26,156
Supplementary series: ²												
Household durable goods industries.....	2,883	2,601	2,615	2,892	2,671	2,417	1,960	1,819	1,842	1,899	1,802	1,604
Producers' capital goods industries.....	7,039	7,242	8,110	7,389	7,540	6,516	24,390	24,378	24,075	24,265	24,244	23,368
Defense products industries (old series).....	3,486	3,452	3,790	3,701	3,511	3,508	24,291	24,397	24,547	24,269	24,378	25,173
Defense products (new series)*.....	1,768	1,780	3,124	1,847	1,810	1,682	20,937	20,937	20,972	20,767	20,780	19,738

*During 1968 manufacturers in ordnance, communications, aircraft and aircraft parts, and shipbuilding industries began to provide aggregate figures on shipments, orders, and total inventories of work performed for the Department of Defense. The results of these reports are included in these new defense series. Since there are no historical data available to develop separate seasonal factors for these reporters, the data have been seasonally adjusted using the factors of these industries. ^PPreliminary. ^RRevised. ^SShipments and new orders adjusted for trading-day and calendar-month variations; unfilled orders and inventories as of end of month. The supplementary series are regroupings of the separate industry categories as follows:

Household durable goods industries - Household furniture; kitchen articles and pottery; cutlery, handtools, and hardware; household appliances; ophthalmic goods, watches, and clocks; and miscellaneous personal goods.

Producers' capital goods (formerly machinery and equipment) industries - Machinery, except electrical (excluding farm machinery and equipment and machine shops), electrical machinery (excluding household appliances, communication equipment and electronic components), shipbuilding and repairing, and railroad and street car equipment.

Defense products industries (old series) - Based on reports for companies classified in the communication equipment, complete aircraft, aircraft parts, and ordnance industries. (Thus, this series includes significant amounts of nondefense work in these industries and omits defense work performed in the shipbuilding industry.)

Defense products (new series) - Based on separate reports on defense work filed by large defense contractors in the following industries: ordnance, communications, complete aircraft, aircraft parts, and shipbuilding. Thus, it differs from the old series in that it includes defense activity in shipbuilding and excludes nondefense work in ordnance, communications, complete aircraft, and aircraft parts. The data are comparable to those published annually in the MA-175, Shipments of Defense-Oriented Industries, for the specified industries.

Table 3.--MANUFACTURERS' SHIPMENTS, INVENTORIES, AND ORDERS MONTH-TO-MONTH AND LONG TERM PERCENT CHANGES

(Based on seasonally adjusted data)

Item and industry group	Month-to-month			Average monthly rates of change				Average, 1966-1967	
	Feb.- Mar. 1972	Jan.- Feb. 1972	Dec. 1971- Jan. 1972	3 months			12 months	Average rise	Average decline
				Dec. 1971- Mar. 1972	Sept. 1971- Dec. 1971	June 1971- Sept. 1971	Mar. 1971- Mar. 1972		
Shipments:									
All manufacturing industries.....	+1.1	+0.8	+3.9	+1.9	+0.7	-0.6	+0.7	+1.3	-1.1
Durable goods industries, total.....	+1.3	+1.3	+5.4	+2.7	+0.3	-1.1	+0.7	+2.1	-1.7
Nondurable goods industries, total.....	+0.8	+0.3	+2.1	+1.1	+1.1	0.0	+0.6	+1.0	-0.6
Total inventories:									
All manufacturing industries.....	+0.1	+0.2	+0.3	+0.2	+0.1	-0.1	+0.1	+0.5	-0.2
New orders:									
All manufacturing industries.....	+1.1	-0.8	+6.0	+2.1	+1.2	+0.2	+0.8	+1.9	-1.3
Durable goods industries, total.....	+1.6	-1.7	+9.2	+3.0	+1.2	+0.4	+1.0	+3.0	-2.3
Nondurable goods industries, total.....	+0.6	+0.4	+2.3	+1.1	+1.3	-0.1	+0.6	+0.9	-0.5
Unfilled orders:									
Durable goods industries, total.....	+0.8	+0.6	+2.0	+1.1	+0.3	-0.2	-0.2	+0.8	-0.8

Table 4.--VALUE OF MANUFACTURERS' INVENTORIES, BY STAGE OF FABRICATION, BY INDUSTRY GROUP

(Millions of dollars)

Industry group	Seasonally adjusted			Without seasonal adjustment			Seasonally adjusted			Without seasonal adjustment		
	Mar. 1972 ^p	Feb. 1972 ^r	Jan. 1972	Mar. 1972 ^p	Feb. 1972 ^r	Mar. 1971	Mar. 1972 ^p	Feb. 1972 ^r	Jan. 1972	Mar. 1972 ^p	Feb. 1972 ^r	Mar. 1971
	Total						Materials and supplies					
All manufacturing industries, total..	101,119	101,033	100,876	101,559	101,530	100,956	32,482	32,569	32,619	32,410	32,537	31,822
Durable goods industries, total.....	64,858	64,769	64,722	65,182	65,024	65,412	18,978	19,037	19,149	18,757	18,877	18,786
Stone, clay, and glass products.....	2,220	2,235	2,234	2,304	2,303	2,354	736	711	756	741	752	733
Primary metals.....	9,544	9,459	9,407	9,529	9,502	9,472	3,690	3,682	3,660	3,519	3,577	3,209
Machinery (electrical and nonelectrical).	23,225	23,248	23,273	23,357	23,316	24,090	6,316	6,357	6,388	6,281	6,296	6,396
Transportation equipment.....	13,947	13,850	13,787	14,031	13,955	13,895	2,694	2,678	2,651	2,723	2,718	3,068
All other durable goods industries.....	15,912	15,977	16,021	15,961	15,948	15,601	5,542	5,609	5,694	5,493	5,534	5,380
Nondurable goods industries, total.....	36,261	36,264	36,154	36,377	36,506	35,544	13,504	13,532	13,470	13,653	13,660	13,036
Chemicals and allied products.....	6,698	6,684	6,690	6,817	6,818	6,868	2,320	2,299	2,310	2,323	2,305	2,388
Petroleum and coal products.....	2,331	2,378	2,406	2,319	2,342	2,335	559	566	580	569	555	550
Rubber and plastics products, n.e.c.....	2,193	2,171	2,186	2,222	2,211	2,174	661	648	648	636	635	692
All other nondurable goods industries....	25,039	25,031	24,872	25,019	25,135	24,167	9,964	10,019	9,932	10,125	10,165	9,406
	Work in process						Finished goods					
All manufacturing industries, total..	34,426	34,140	34,097	34,578	34,280	34,059	34,211	34,324	34,160	34,571	34,713	35,075
Durable goods industries, total.....	29,019	28,878	28,831	29,227	29,011	29,018	16,861	16,854	16,742	17,198	17,136	17,608
Stone, clay, and glass products.....	267	290	272	291	285	335	1,217	1,234	1,206	1,272	1,266	1,286
Primary metals.....	3,165	3,092	3,087	3,222	3,147	3,263	2,699	2,685	2,660	2,788	2,778	3,000
Machinery (electrical and nonelectrical).	10,338	10,335	10,322	10,426	10,426	10,846	6,571	6,556	6,563	6,650	6,594	6,848
Transportation equipment.....	9,898	9,810	9,776	9,926	9,817	9,361	1,355	1,362	1,360	1,382	1,420	1,466
All other durable goods industries.....	5,351	5,351	5,374	5,362	5,336	5,213	5,019	5,017	4,953	5,106	5,078	5,008
Nondurable goods industries, total.....	5,407	5,262	5,266	5,351	5,269	5,041	17,350	17,470	17,418	17,373	17,577	17,467
Chemicals and allied products.....	928	899	891	935	907	887	3,450	3,486	3,489	3,559	3,606	3,593
Petroleum and coal products.....	451	452	460	453	450	417	1,321	1,360	1,366	1,297	1,337	1,368
Rubber and plastics products, n.e.c.....	355	348	346	346	345	329	1,177	1,175	1,192	1,240	1,231	1,153
All other nondurable goods industries....	3,673	3,563	3,569	3,617	3,567	3,408	11,402	11,449	11,371	11,277	11,403	11,353

^pPreliminary.^rRevised.

Table 5.--RATIO OF MANUFACTURERS' INVENTORIES TO SHIPMENTS AND UNFILLED ORDERS TO SHIPMENTS, BY INDUSTRY GROUP
(Based on seasonally adjusted data)

Industry group	Inventories - shipments ratio				Unfilled orders - shipments ratio ¹ (months' backlog)			
	Mar. 1972 ^p	Feb. 1972 ^r	Jan. 1972	Mar. 1971	Mar. 1972 ^p	Feb. 1972 ^r	Jan. 1972	Mar. 1971
All manufacturing industries, total.....	1.62	1.63	1.64	1.74	2.16	2.17	2.15	2.38
Durable goods industries, total.....	1.88	1.90	1.93	2.06	2.59	2.61	2.59	2.87
Stone, clay, and glass products.....	1.08	1.09	1.10	1.37	(NA)	(NA)	(NA)	(NA)
Primary metals.....	1.81	1.84	1.88	1.89	1.19	1.17	1.18	1.62
Fabricated metals.....	1.96	2.01	2.01	2.02	3.32	3.32	3.27	3.41
Machinery, except electrical.....	2.45	2.53	2.42	2.82	2.79	2.83	2.67	2.94
Electrical machinery.....	1.98	1.99	1.94	2.31	2.87	2.89	2.84	3.27
Transportation equipment.....	1.72	1.69	1.82	1.72	6.00	6.03	6.10	5.83
Instruments and related products.....	2.44	2.47	2.41	2.46	(NA)	(NA)	(NA)	(NA)
Nondurable goods industries, total.....	1.29	1.30	1.30	1.35	0.46	0.46	0.44	0.44
Food and kindred products.....	0.98	0.98	0.98	1.01	(X)	(X)	(X)	(X)
Tobacco products.....	4.42	4.35	4.22	4.62	(X)	(X)	(X)	(X)
Textile mill products.....	(²)	(²)	(²)	(²)	(NA)	(NA)	(NA)	(NA)
Paper and allied products.....	1.12	1.13	1.12	1.25	(NA)	(NA)	(NA)	(NA)
Chemicals and allied products.....	1.45	1.46	1.46	1.61	(X)	(X)	(X)	(X)
Petroleum and coal products.....	0.93	0.96	1.00	1.00	(X)	(X)	(X)	(X)
Rubber and plastics products, n.e.c.....	1.31	1.30	1.29	1.43	(X)	(X)	(X)	(X)

(NA) Not available. ^pPreliminary. ^rRevised. (X) Not applicable.

¹Excludes the following industries with no unfilled order: Wooden containers; glass containers; metal cans, barrels and drums; motor vehicle assembly operations; foods and related products; tobacco; apparel and related products; chemicals; petroleum and coal products; and rubber and plastics products, n.e.c.

²Beginning with July 1971, the shipments level for this series appears to be high compared with information shown in other textile series. All data for this industry group are, therefore, withheld pending investigation and revision.

Appendix

The following is a description of the survey and definitions used. These are provided to clarify the meaning of the items involved and do not represent any revisions from those definitions previously employed.

DESCRIPTION OF THE SURVEY

The Manufacturers' Shipments, Inventories, and Orders survey provides monthly figures that are comparable to the annual totals published each year in the annual survey of manufactures (ASM). The ASM is based on a sample of approximately 60,000 manufacturing establishments drawn from the 5-year census universe of about 310,000 establishments. In the ASM, each manufacturing establishment provides data on employment, payrolls, shipments, cost of materials, capital expenditures, and inventories as well as other selected items. The establishments do not provide information on unfilled orders or new orders. Since the ASM is establishment based, it provides data for each of the 425 manufacturing industries in the Standard Industrial Classification System (SIC) and area data for industry groups.

The monthly survey M3-1 does not provide information at the complete SIC industry detail because of the smaller size of the reporting panel and the fact that most companies cannot provide shipments, inventories, and orders data monthly for individual establishments.

The monthly reporting panel consists of approximately 5,000 reporting units and includes virtually all companies with 1,000 or more employees and a sample of the smaller ones. The reporting unit typically comprises the entire operations of a company although many of the larger diversified companies file separate divisional type reports for their operations in different industries.

Most of the reporting units include mixed industry activity even within the broad industry categories of the monthly survey. The survey methodology assumes that the month-to-month changes of the reporting units classified in each industry category represent effectively the month-to-month movements of the establishments in the SIC industries which make up the category. Thus, the monthly reports are used to update the ASM estimates by using a link relative of matched companies in each industry.

EXPLANATION OF TERMS

Value of Shipments--Shipments in the monthly survey are equivalent to value of shipments as reported in the ASM which are received or receivable net selling values, f.o.b. plant, after discounts and allowances and excluding freight charges and excise taxes. Included in shipments are the value of all products sold, transferred to other plants of the same company, or shipped on consignment.

Shipments also include receipts of establishments in the industry for contract work performed for others, resales, receipts for miscellaneous activities such as the sale of scrap and refuse; value of installation and repair work performed by employees of the plant; and value of research and development performed at the plant. In the aircraft industry and shipbuilding, the value of work done in a given year varies considerably from the value of shipments because of the long lead time between the input of the materials and labor and the shipments of the completed aircraft or ship. In the annual survey, therefore, the value of work done during the year is requested rather than the value of shipments.

The value of shipments figures developed from the ASM contain duplication at the all manufacturing and industry group levels since the products of some industries are used as materials by other industries within the industry group. With the exception of motor vehicles, it is not significant at the 4-digit SIC group level. Since the M3-1 industry categories typically are groupings of industries, this duplication is significant for the all manufacturing, durable goods and nondurable goods categories and the various market groups. The significance of the duplication within the specific M3-1 industry groups varies depending on the 4-digit industry composition of these groups. It is most pronounced in a few highly integrated industry areas such as primary metals and motor vehicles and parts.

Since most monthly reports are for the entire company or major divisions rather than establishments, the companies are requested to report net sales, i.e., total company billings after discounts and allowances. Companies which file divisional reports are requested to treat transfers from one division of the company to another as if they were net sales to outside customers. Although this

definition of shipments in the monthly reports differs from that used in the annual establishment reports, it is assumed that the month-to-month changes in company sales in the industry are representative of the month-to-month shipments of the establishments in the industry.

Inventories--End-of-month inventories in the monthly survey are identical in definition to the end-of-year inventories in the ASM. In the ASM, respondents are asked to report inventories of individual establishments at approximate current cost if feasible; otherwise, "at book values." Since different methods of inventory valuation are used (LIFO, FIFO, etc.), the definition of the aggregate inventories for establishments in an industry is not precise. The figures on the change in inventories from one period to the next are of greater significance than the actual aggregates.

Inventories are reported by stage of fabrication: (a) finished goods; (b) work in process; and (c) materials, supplies, fuel, and other inventories. In using inventories by stage of fabrication at the all manufacturing and 2-digit industry levels as well as for the durable and nondurable goods sectors, it should be noted that a finished product of one industry may be a raw material for another industry at the next stage of fabrication. Insofar as the durable and nondurable goods sectors and also the 2-digit industry groups contain industries with successive stages of processing, the same type of commodity may be included under different inventory categories in the aggregate statistics.

New Orders Received and Unfilled Orders--

Orders as reported in the monthly survey are net of cancellations during the month. They include orders received during the period and also filled during the period as well as those orders received for future delivery. They also include the net sales value of contract change documents which increase or decrease the sales value of the unfilled orders to which they relate. Orders include only those supported by binding legal documents such as signed contracts, or letter contracts. In case of letter contracts the full amount of the sales value is included if the parties are in substantial agreement on the amount; otherwise, only the funds specifically authorized to be expended are included. The respondent is instructed to deduct the sales value of partial or complete cancellation of existing orders.

Unfilled orders include orders as defined above that have not yet passed through the sales account. Generally, unfilled orders at the end of the reporting period are equal to unfilled orders at the beginning of the period plus net new orders received less net sales.

While both new orders and unfilled orders are used in reviewing individual company reports for consistency, only unfilled orders are estimated directly in the tabulated totals. New orders are derived from the shipments plus net change in unfilled orders for each industry category. This procedure is followed for seasonally adjusted data as well as for the unadjusted data. Shipments and unfilled orders are seasonally adjusted independently. Seasonally adjusted new orders are derived from seasonally adjusted shipments and seasonally adjusted unfilled orders.

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